COMPLETE STATEMENT

OF

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BEFORE

THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ON

WATER RESOURCES DEVELOPMENT PROGRAMS WITHIN THE U.S. ARMY CORPS OF ENGINEERS

Mr. Chairman, and Members of the Committee:

I am honored to be testifying before your committee today, along with the Acting Assistant Secretary of the Army (Civil Works), the Honorable Les Brownlee, on two things we share a deep concern for — the U.S. Army Corps of Engineers and the management of our nation's precious water resources.

I'm willing to state categorically that the Corps must change. Mr. Brownlee has articulated what I believe to be the heart of the issue about changing the Corps. It will be more beneficial for the country in the long run if this transformation is consistent with the changes that have been occurring in the Nation's priorities and values regarding water resources. The Corps can change, we have before at critical turning points and are certainly at a turning point right now.

There are some basic questions about how the Nation will use and protect water in the future, some of which may have implications for future Corps activities. For instance, in the future, to what extent will water be a mode of transportation? To what extent will it be open for recreation? Will there be enough clean water to drink? Where do we place priority when it comes to water –animals, farmers, ecosystems, plants, people? Our future depends on gaining some direction and focus on our priorities. This direction will also profoundly affect the way we do business in the Corps. Together we need to craft the 21st Century Corps of Engineers, an organization based on contemporary values and future needs. The needs that the Corps addresses -- water resources and support to the war fighter – are as critical today as at any

moment in history.

Today I'd like to talk about what I'm doing to transform into the 21st Century Corps. I'd also like to talk about three particular areas in which we know we need to make some changes: reducing the backlog of projects, improving our internal processes and working toward watershed approaches. I'm optimistic that we will see improvement in all three of these areas as we address the national water policy issue. But in the interim, while I'm working on some solutions for these areas, we need to work with you in Congress, as well as the Administration, and our partners, stakeholders and critics to figure out what changes should be made and get them implemented.

Let's talk first about how we reduce the backlog. Frankly, we have too many projects on the books, and some do not address solutions in a contemporary way. This has been the center of discussions at previous hearings of this Committee

We are looking for opportunities to reduce the number of projects that we are authorized to address. For some projects, considerable time elapses between when a problem is studied and the project to fix it is built. During that lapse we may see scientific progress that could better address the problem, and we may see shifts in public policy. We have about \$5 billion worth of inactive projects that technically remain on our books, whose designs won't solve the original problems or for which there is no longer support.

Then there are projects that could solve real problems but are unpopular for any number of reasons. Most were authorized years ago, but haven't been built. They show up on the hit lists of some of our most vocal critics. Sometimes the critics are right. And the challenge is how to ultimately decide whether we even should be trying to solve the problems for which these projects were designed. In many cases, I believe that it would be helpful for an interagency task force composed of all interested Federal agencies to take a fresh look at these projects.

Let me tell you what we are doing to improve our internal processes.

During the past year, we have focused on our planning and review capability within the Corps. We have identified the most critical capability deficiencies and are reemphasizing such basics as formulation, environmental science, economics, public involvement, and internal review. We are also looking at how we consolidate our planning and review capability for some high priority, but not high volume activities, so that our best people can be assigned to the most complex projects.

The other part of this is independent review. We're eagerly awaiting the study findings this summer from the National Academy of Sciences. I'm optimistic that the recommendations will provide us with a road ahead on this issue. We are also looking forward to the second phase of the study that will look at the state of the art of Corps planning processes and procedures.

In the interim we are using various new forms of review, from the internal and external

standpoints, to improve and validate our studies and projects. We are taking advantage of our value engineering expertise, our cross-district review capability and using outside experts to increase the validity of our recommendations and findings.

As an aside, it is a test of the adage that the pendulum swings both ways that we are looking at our review function within the Corps again. As you probably remember we had an internal review board, called the Board of Engineers for Rivers and Harbors for the majority of the 20th century, just disbanded in 1993. With that step, and reorganizing our internal structure, we streamlined the process but at a cost. I believe its quite possible to improve the process but continue to move the studies and recommendations forward at a fairly quick pace.

In some instances where the independent review has included getting other federal agencies to the table, we have reaped immense benefits from the increased collaboration and partnership within the Federal family. These partnerships will serve us well as we move <u>toward a watershed approach</u>, the last topic I want to address. Here are a few things I've done:

I've restructured the controversial Upper Mississippi Navigation Study to consider a wide range of options from construction of new locks to non-construction alternatives such as system-wide environmental restoration. We also will need to ensure that the economic analysis used in this study is current and beyond reproach.

I have also revitalized the Environmental Advisory Board, a board of independent, external environmental advisers that will help us evaluate our process. They have advised us on our Upper Miss River Navigation study and will also be looking at peer review, cost sharing, breadth of authority and reviewing our work in the Everglades in the upcoming sessions.

To refocus Corps professionals on the long-term sustainable goal, I have established a set of environmental operating principles that reiterates our commitment to approach our work in a more environmentally sustainable manner and challenged our people to make them real.

Quite frankly though, we need to do more and we need the Congress's help if we are truly to take a watershed approach.

Right now, existing laws and policies drive us to single focus, geographically limited projects where we have sponsors sharing in the cost of the study. The current approach narrows our ability to look comprehensively and sets up inter-basin disputes. It also leads to projects that solve one problem, but may inadvertently create others. Frequently we are choosing the economic solution over the environmental, when we can actually have both. I believe the future is to look at watersheds first; then design projects consistent with the more comprehensive approach. We know that will require collaboration early and continuously but we believe it will prevent lawsuits later. So together, we need to develop and agree on 21st Century criteria.

Transformation of the Corps won't be easy, but we stand ready to work with you to address these issues. As our critics continue to chide us, I would ask that they work with us, as well with you in the Congress, the Administration, interest groups, our partners and stakeholders, for the well being of the American people and the environment in which we live.

Thank you Mr. Chairman and Members of the Committee. This concludes my statement.